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THE SENIOR EXECUTIVE SERVICE (SES)

HOW THE GOVERNMENT'S TOP EXECUTIVES ARE ORGANIZED IS IMPORTANT FOR ALL AMERICANS. IF THEY ARE ORGANIZED WELL, THE PUBLIC'S WORK WILL BE DONE EFFICIENTLY; IF THEY ARE NOT, TAXPAYERS' RESOURCES WILL NOT BE USED EFFICIENTLY. NO ADMINISTRATION CAN BE SUCCESSFUL UNLESS ITS EXECUTIVE WORKFORCE IS ORGANIZED IN THE MOST COST-EFFICIENT MANNER.

BEFORE THE CIVIL SERVICE REFORM ACT OF 1978 (CSRA), THE GOVERNMENT'S TOP EXECUTIVES WERE ORGANIZED IN A RIGID "RANK-IN-POSITION" SYSTEM, WHICH REQUIRED CENTRALIZED APPROVAL AND PREVENTED ROTATION BETWEEN POSITIONS FOR THE MOST EFFICIENT USE OF PERSONNEL. CAREER EXECUTIVES WERE UNABLE TO ASSUME POSITIONS DESIGNATED NON-CAREER, WHICH OFTEN WERE THOSE WITH THE HIGHEST RESPONSIBILITY, WITHOUT LOSING CAREER TENURE AND BENEFITS. SINCE THE CIVIL SERVICE COMMISSION BOTH CLASSIFIED POSITIONS AND CLEARED NEW APPOINTMENTS, MANY AGENCY OFFICIALS FELT THAT THEY WERE HELD RESPONSIBLE FOR

ENORMOUS PROGRAMS, BUT LACKED AUTHORITY TO SELECT PEOPLE IN WHOM THEY FELT CONFIDENCE IN FULFILLING THEIR CRITICAL AGENCY MISSIONS. FOR THE MOST PART, CAREER EXECUTIVES HAD NO INVOLVEMENT IN THE SELECTION OF OTHER EXECUTIVES, AND RECRUITMENT WAS BASICALLY LIMITED TO WITHIN THE GOVERNMENT.

BY THE LATE 1970s, A CONSENSUS DEVELOPED THAT THE OLD "SUPER-GRADE" EXECUTIVE SYSTEM UNDER THE CIVIL SERVICE COMMISSION WAS FUNDAMENTALLY FLAWED. DEVELOPED WITH EXPERTISE BOTH WITHIN AND OUTSIDE GOVERNMENT, IN 1978 THE CSRA WAS SUPPORTED BY BOTH PARTIES IN CONGRESS AND SIGNED INTO LAW BY PRESIDENT JIMMY CARTER.

THE KEYSTONE OF THE CSRA WAS THE CREATION OF THE SENIOR EXECUTIVE SERVICE (SES). THE SES WAS CREATED WITH THE FUNDAMENTAL IDEA OF MOVING FROM THE RIGID "RANK-IN-POSITION" SYSTEM TO THE "RANK-IN-PERSON" SYSTEM. RATHER THAN THREE CONFINED GENERAL SCHEDULE GRADES AT LEVELS 16, 17, AND 18, AN OPEN "CORPS" WAS CREATED. POSITIONS WERE ONLY CLASSIFIED AS "CAREER RESERVED" OR "GENERAL."

AS THE NAME IMPLIES, CAREER RESERVED POSITIONS WERE TO BE LIMITED TO THOSE WITH PERMANENT TENURE, AND GENERAL POSITIONS WOULD BE OPEN TO EITHER NON-CAREER OR CAREER APPOINTEES. CAREER RESERVED POSITIONS ARE NORMALLY TECHNICAL AND HIGH-TRUST POSITIONS, WHILE GENERAL POSITIONS RANGE WIDELY, BUT OFTEN GO TO THE HIGHEST POLICY-MAKING LEVELS. THESE POLICY-MAKING LEVELS WERE MADE AVAILABLE FOR THE FIRST TIME TO CAREER EXECUTIVES, WITHOUT LOSS OF TENURE

OR BENEFITS, BY THE CREATION OF THE NEW SES.

CAREER EXECUTIVES WERE GIVEN FOR THE FIRST-TIME INVOLVEMENT IN THE COMPETITIVE SELECTION PROCESS, THROUGH PARTICIPATION ON EXECUTIVE RESOURCE BOARDS. RECRUITMENT WAS ALSO OPENED TO CANDIDATES OUTSIDE THE GOVERNMENT, AND AN INCREASED EMPHASIS WAS PLACED ON MANAGERIAL QUALIFICATIONS OF EXECUTIVES. THE NEWLY-CREATED OFFICE OF PERSONNEL MANAGEMENT (OPM) WAS GIVEN GENERAL OVERSIGHT AUTHORITY OVER THE SES, INCLUDING CERTIFYING QUALIFICATIONS AFTER REVIEW BY A BOARD OF THE SES, WHILE OTHER CENTRALIZED MANAGEMENT WAS KEPT TO A MINIMUM.

DECENTRALIZATION OF AUTHORITY WAS A CENTRAL EMPHASIS OF BOTH THE CSRA ITSELF, AND THE SES. AGENCIES WERE TO BE GIVEN MORE FLEXIBILITY TO ACT ON THEIR OWN AUTHORITY WITHOUT PRIOR OPM APPROVAL. BEFORE CREATION OF THE SES, FOR EXAMPLE, AGENCIES HAD TO OBTAIN OPM APPROVAL FOR EACH AGENCY POSITION WHICH WAS ESTABLISHED AND FOR EACH INDIVIDUAL WHO WAS PLACED IN AN EXECUTIVE POSITION, EVEN IF THAT INDIVIDUAL ALREADY WAS A CAREER EXECUTIVE.

THROUGH DECENTRALIZATION THE SES HAS ENABLED AGENCIES TO REACT IN A MORE TIMELY MANNER TO CHANGING PROGRAM NEEDS AND PRIORITIES, AND TO USE THEIR WORKFORCE MORE EFFICIENTLY. ALONG WITH DECENTRALIZED AGENCY ACTION, HOWEVER, GENERAL OVERSIGHT BY OPM WAS RETAINED. UNDER LAW, OPM REVIEWS AND APPROVES AGENCY PERFORMANCE APPRAISAL PLANS AND, ALTHOUGH

NOT REQUIRED BY LAW, REQUESTS AGENCIES TO SUBMIT REDUCTIONS-IN-FORCE PLANS AND PROCEDURES FOR REVIEW BEFORE IMPLEMENTATION. OPM ALSO CONDUCTS ON SITE EVALUATIONS OF THE SES IN 20 TO 30 AGENCIES PER YEAR. WHERE MAJOR PROBLEMS HAVE BEEN IDENTIFIED, SUCH AS THE REDUCTION-IN-FORCE THAT TOOK PLACE AT THE DEPARTMENT OF ENERGY, WE HAVE UNDERTAKEN A THOROUGH REVIEW AND ORDERED CORRECTIVE ACTION. WE BELIEVE THAT THE SYSTEM OF OPM OVERSIGHT OF PROGRAMS WHEN COUPLED WITH THE MERIT SYSTEMS PROTECTION BOARD (MSPB) AND SPECIAL COUNSEL REVIEW OF INDIVIDUAL CASES, PROVIDES FOR THE ADEQUATE OVERSIGHT.

THE THRUST OF THE CSRA, AND THE CONTINUING NEED, HOWEVER, IS ACCEPTANCE OF RESPONSIBILITY ON THE PART OF AGENCIES. OPM EXERCISES GENERAL OVERSIGHT OF THE POSITION MANAGEMENT OF THE SENIOR LEVEL OF GOVERNMENT THROUGH THE POSITION ALLOCATION PROCESS, BUT AGENCIES MUST STRUCTURE POSITIONS WITHIN THESE LIMITS AND OPM GUIDANCE. OPM PROVIDES TECHNICAL ASSISTANCE AND RECOMMENDATIONS, BUT THE FUNDAMENTAL RESPONSIBILITY IS THE AGENCY'S. OPM HAS REDUCED ALLOCATIONS FROM 8,602 IN DECEMBER, 1980, TO 8,041 IN DECEMBER, 1983, A REDUCTION OF 6.5 PERCENT. OF THOSE ALLOCATED, THE PERCENTAGE FILLED HAS INCREASED: FROM 82 PERCENT IN THE PREVIOUS ADMINISTRATION TO 87 PERCENT TODAY. REDUCING ALLOCATIONS, HOWEVER, MUST BE BALANCED WITH SUFFICIENT AGENCY FLEXIBILITY. FOR ULTIMATELY, ONLY THE AGENCIES CAN IMPROVE POSITION MANAGEMENT, EVEN WITH THE BEST

OUTSIDE ADVICE.

ONE OF THE MAJOR PROVISIONS OF THE SES WAS TO ALLOW FLEXIBILITY IN REASSIGNING TOP EXECUTIVES AS AGENCY MISSIONS AND PROGRAMS DIFFER, AND PERSONNEL NEEDS CORRESPONDINGLY CHANGE. ALTHOUGH AGENCIES HAVE USED REASSIGNMENTS MORE OFTEN, ABOUT 1,000 REASSIGNMENTS HAVE BEEN MADE OUT OF AN SES OF ABOUT 6,800. THIS IS FY 83 DATA AND IT REPRESENTS 14.9 PERCENT OF THE SES. GEOGRAPHICAL REASSIGNMENTS REPRESENT ONLY 10.5 PERCENT OF THE REASSIGNMENTS, AND ONLY 1.6 PERCENT OF THE NUMBER OF CAREER EXECUTIVES. THIS INCREASED FLEXIBILITY HAS ALLOWED BETTER MANAGEMENT, BUT PROBABLY COULD BE USED MORE THAN AT PRESENT.

THE MOST IMPORTANT MANAGEMENT MECHANISM PROVIDED BY THE CSRA WAS THE INSTITUTION OF A MORE PROFESSIONAL AND TIGHTLY-DESIGNED PERFORMANCE APPRAISAL SYSTEM. PRIOR TO THE CSRA, EXECUTIVE PERFORMANCE WAS RARELY EVALUATED RIGOROUSLY. IT WAS VERY DIFFICULT TO REMOVE A POOR PERFORMER, AND IMPOSSIBLE TO DEAL WITH A MARGINAL ONE. NOR COULD GOOD EXECUTIVES BE REWARDED FOR OUTSTANDING PERFORMANCE. THE CSRA NOW REQUIRES THAT SES EXECUTIVES BE EVALUATED AT LEAST ANNUALLY, BASED UPON AGREED PERFORMANCE STANDARDS. OPM APPRAISALS OF AGENCY SYSTEMS SUGGEST THAT THERE ARE STILL GAPS IN THE NEW PERFORMANCE APPRAISAL SYSTEM BUT THAT SIGNIFICANT PROGRESS HAS BEEN MADE. THEY ALSO SHOW THAT THE GOVERNMENT MUST CONTINUE ITS PROGRAM TO UPGRADE THE SYSTEM. PERFORMANCE APPRAISAL IS A CONTINUOUS PROCESS, ALWAYS TO BE IMPROVED.

RECIEVED RATINGS OF "MINIMALLY SUCCESSFUL" OR "UNSATISFACTORY." ONLY TWENTY-FOUR CAREER SES MEMBERS HAVE BEEN REMOVED THROUGH ADVERSE ACTION PROCEDURES, AND ONE-HALF OF THESE WERE DUE TO REFUSAL TO ACCEPT A DIRECTED REASSIGNMENT.

ALTHOUGH IT WOULD SEEM REASONABLE THAT, AFTER PROGRESSING THROUGH THE GENERAL SCHEDULE, SENIOR EXECUTIVES WOULD RECIEVE BETTER RATINGS THAN THE REST OF THE WORKFORCE, IT DOES APPEAR THAT THESE RATINGS MIGHT BE SOMEWHAT INFLATED. YET, THROUGH EDUCATION AND FAMILIARITY WITH THE SYSTEM -- TOGETHER WITH EFFORTS THROUGHOUT THE EXECUTIVE BRANCH TO IMPROVE THE SYSTEM -- WE EXPECT THE PERFORMANCE APPRAISAL SYSTEM FOR THE SES WILL IMPROVE OVER TIME.

IN SUM, THE SENIOR EXECUTIVE SERVICE HAS PROVIDED AN EFFICIENT MANAGEMENT MECHANISM. IT ALLOWS MORE EFFICIENT UTILIZATION OF THE TAXPAYERS' RESOURCES AND BETTER USE OF THE GOVERNMENT'S PEOPLE. THE ADMINISTRATION CONTINUES ITS SUPPORT FOR THE IDEA OF A SENIOR EXECUTIVE SERVICE, AND PLEDGES ITSELF TO CONTINUE TO UPGRADE THE PERFORMANCE APPRAISAL PROCESS AND TO EXERCISE THE PROPER BALANCE BETWEEN DECENTRALIZATION AND OVERSIGHT. WE HAVE MADE A SUCCESSFUL BEGINNING. WE CAN BUILD UPON THIS SUCCESS FOR EVEN GREATER IMPROVEMENT IN THE FUTURE.

THE CORPS

THE SES WAS CREATED WITH THE IDEA THAT ITS MEMBERS WOULD BE PART OF AN ELITE CORPS OF GOVERNMENT MANAGERS. IT

WAS TO CREATE A DYNAMIC GROUP OF GOVERNMENT EXECUTIVES, WHO WOULD BE REWARDED MORE HIGHLY FOR SUCCESS AND EVALUATED MORE CAREFULLY WHEN NOT SUCCESSFUL -- WHILE STILL ENCOURAGING A PRUDENT RISK-TAKING. UNFORTUNATELY, THE INITIAL APPROACH TO CONVERSION IN 1979 WAS TO ENCOURAGE MAKING THE SES AS INCLUSIVE AS POSSIBLE. NOT ALL OF THOSE ADMITTED WERE TRUE EXECUTIVES. MANY TECHNICAL SPECIALISTS AND SCIENTISTS WERE, THEREFORE, INTRODUCED INTO THE EXECUTIVE CORPS.

THE GRACE COMMISSION QUESTIONED THIS BROAD DEFINITION AND SUGGESTED THAT THE SES BE REDUCED IN SIZE. QUESTIONS ALSO HAVE BEEN RAISED CONCERNING WHETHER THE NON-MANAGERIAL AND NON-SUPERVISORY POSITIONS NOW IN THE SES, AS WELL AS SOME MANAGERIAL POSITIONS IN THE SES AT PRESENT MEET PROPER GRADE-LEVEL CRITERIA. INCLUSION OF POSITIONS WHICH ARE NOT TRULY EXECUTIVE MAY IMPAIR THE STATUS, PRESTIGE, AND EFFECTIVENESS OF THE SES. THE GRACE COMMISSION SPECIFICALLY SUGGESTED THAT THE SES BE REDUCED BY HALF.

THERE ARE ALSO CLAIMS OF DISSATISFACTION AMONG SOME SEGMENTS OF THE SES. ONE, ADMITTEDLY UNSCIENTIFIC, SURVEY SUGGESTED THAT 85 PERCENT OF A SELF-SELECTED GROUP OF SES EXECUTIVES WOULD HAVE LIKED TO RETURN TO THE GENERAL SCHEDULE IN 1981, AND 46 PERCENT IN 1983. GIVEN BOTH THE FACT THAT THE ORIGINAL CONVERSION MAY HAVE BEEN TOO INCLUSIVE AND THE FACT THAT MANY SES CAREER EXECUTIVES MAY PREFER TO RETURN TO THE GENERAL SCHEDULE, IT MIGHT BE USEFUL FOR OPM TO INITIATE A REVIEW OF THE FEASIBILITY OF A

VOLUNTARY RETURN TO THE GENERAL SCHEDULE. THIS WOULD BE SUBJECT TO OPM OVERSIGHT AND APPROVAL. SUCH A ONE-TIME CONVERSION COULD SERVE TO ELEVATE THE STATUS OF THE SES CORPS FOR THOSE REMAINING IN THE SYSTEM.

IT IS IMPORTANT TO NOTE THAT MOST IN THE SES CORPS HAVE HIGH ESPRIT. THE FEAS SURVEY OF EXECUTIVES SHOWS THAT MOST OF THE GOVERNMENT'S SENIOR EXECUTIVES ARE SATISFIED WITH THEIR JOBS. IN 1983, THE SURVEY SHOWED THAT 85 PERCENT OF EXECUTIVES WERE SATISFIED WITH THEIR JOBS, COMPARED TO 76 PERCENT FOR ALL OTHER EMPLOYEES. THE PREVIOUS FEAS SURVEY, HOWEVER, SHOWED CLEARLY THAT THERE WERE TWO AREAS OF DISSATISFACTION, PAY AND BONUSES.

THE CSRA ESTABLISHED SIX SES PAY LEVELS. HOWEVER, WHEN THIS ADMINISTRATION ASSUMED OFFICE ALL SIX LEVELS WERE "CAPPED" AT \$50,112.50. THE TOP FOUR LEVELS HAD BEEN SET AT THAT RATE SINCE OCTOBER, 1979. AS FOR BONUSES, THE ORIGINAL CSRA SUGGESTED THAT THEY COULD BE PAID TO UP TO 50 PERCENT OF EXECUTIVES. YET, THE FIRST TWO AGENCIES TO PAY OUT BONUSES GAVE THEM TO ALMOST PRECISELY 50 PERCENT OF THEIR EXECUTIVES. DUE TO FEAR IN CONGRESS THAT THE BONUS PROGRAM WOULD BE ABUSED TO GIVE BONUSES TO HALF OF THE EXECUTIVES IN ONE YEAR AND THE OTHER HALF IN THE NEXT, CONGRESS RESTRICTED THE NUMBER OF BONUSES ELIGIBLE FOR DISTRIBUTION TO 25 PERCENT, AND THEN LATER TO 20 PERCENT. SO, WITH THE CAPPING OF PAY AND RESTRICTION IN THE NUMBER OF BONUSES, THERE WAS A FACTUAL BASIS FOR DISSATISFACTION.

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SINCE THE REAGAN ADMINISTRATION HAS ENTERED OFFICE, THE TOP SES PAY HAS INCREASED BY A VERY SUBSTANTIAL 39 PERCENT. THIS HAS NOT ONLY RAISED THE MAXIMUM PAYABLE TO \$69,600, BUT IT HAS RELIEVED THE "COMPRESSION" THAT FLATTENED THE SALARIES TO THE TOP EIGHT LEVELS OF MANAGEMENT SO THAT NOW EACH LEVEL HAS A UNIQUE SALARY. CLEARLY, PROGRESS HAS BEEN SPECTACULAR ON THE EXECUTIVE PAY FRONT DURING MY TENURE AS DIRECTOR.

THE REAGAN ADMINISTRATION COMMITTED ITSELF EARLY TO INCREASE THE PERCENTAGE OF BONUSES PAYABLE, ALTHOUGH NOT NECESSARILY TO THE FULL 50 PERCENT. SEVERAL CABINET MEMBERS AND AGENCY HEADS, AT THE DIRECTION OF THE PRESIDENT, HAVE TESTIFIED BEFORE CONGRESS ON THE NECESSITY OF REWARDING OUR OUTSTANDING PERFORMERS. WITH THIS YEAR'S APPROPRIATION, I AM PLEASED TO NOTE, ONLY THE STATUTORY RESTRICTION REMAINS HOWEVER, OPM HAS PLEDGED TO THE PRESIDENT AND CONGRESS THAT IT WOULD OVERSEE THE SYSTEM TO PREVENT ABUSES. ITS INTERIM DECISION WAS TO INCREASE THE NUMBER OF BONUSES ALLOWABLE FROM TWENTY TO THIRTY PERCENT. OPM ALSO HAS ISSUED GUIDANCE RECOMMENDING AGAINST CASH AWARDS FOR NON-CAREER SES, AND INSTEAD SUGGESTED CREATING HONORIFIC AWARDS FOR THEM.

THIS ADMINISTRATION HAS GIVEN HIGHEST PRIORITY TO THE PRESIDENTIAL RANK AWARDS PROGRAM. THE PRESIDENT HAS PERSONNALLY PRESENTED AWARDS TO THE DISTINGUISHED FEDERAL EXECUTIVES EACH YEAR OF THIS ADMINISTRATION, AND MERITORIOUS AWARDEES HAVE HAD THEIR HONORS CONFERRED BY THE COUNSELOR TO

THE PRESIDENT. ON THIS OCCASION EACH YEAR, THE PRESIDENT HAS EXPRESSED HIS ANNUAL THANKS FOR THE DEDICATED WORK OF THE AWARDEES, OF EXECUTIVES GENERALLY, AND OF THE WHOLE FEDERAL WORKFORCE FOR THE OUTSTANDING WORK THEY DO. CLEARLY, WITH THE INCREASED NUMBER OF BONUSES AVAILABLE AND THE HIGH ATTENTION GIVEN TO THEM, THIS ADMINISTRATION HAS DELIVERED ON ITS PROMISE TO REWARD OUR OUTSTANDING EXECUTIVES.

CSRA REQUIRED, AND WE FULLY SUPPORT, SYSTEMATIC DEVELOPMENT OF CANDIDATES FOR THE SES AND CONTINUING DEVELOPMENT OF SENIOR EXECUTIVES. IMMEDIATELY FOLLOWING PASSAGE OF CSRA, OPM UNDERTOOK SYSTEMATIC RESEARCH TO DESCRIBE WHAT SENIOR EXECUTIVES IN GOVERNMENT MUST BE ABLE TO DO TO BE EFFECTIVE. TO OUR KNOWLEDGE THE MODEL WE DEVELOPED FROM THIS RESEARCH IS THE FIRST EVER TO BE BASED ON THE PERFORMANCE OF SUPERIOR FEDERAL GOVERNMENT EXECUTIVES. THE MODEL FORMED THE BASIS FOR A NUMBER OF INNOVATIVE AND SUCCESSFUL APPROACHES TO EXECUTIVE DEVELOPMENT THROUGHOUT GOVERNMENT, INCLUDING THE SES CANDIDATE DEVELOPMENT PROGRAMS REQUIRED BY CSRA. BY THE END OF FISCAL YEAR 1983, MORE THAN 600 INDIVIDUALS HAD COMPLETED THESE PROGRAMS AND 25 PERCENT OF THEM HAD ENTERED THE SES.

WITHIN THE NEXT FEW WEEKS OPM WILL PUBLISH A NEW FPM CHAPTER RESTATING OUR BELIEF THAT EXECUTIVE DEVELOPMENT IS THE KEY TO SUCCESSFUL IMPLEMENTATION OF AGENCY AND EXECUTIVE BRANCH POLICIES AND PROGRAMS. IT WILL CALL FOR EXTENDING

THE PRINCIPLES OF EXECUTIVE DEVELOPMENT EXPRESSED IN CSRA TO THE ENTIRE GOVERNMENT MANAGEMENT TEAM. FOR SENIOR EXECUTIVES IT WILL TIE DEVELOPMENT TO PERFORMANCE APPRAISAL AND WORK PLANS, AND REQUIRE CONTINUAL UPDATING OF EXECUTIVES ON TRENDS AND DEVELOPMENTS IN THE EXTERNAL ENVIRONMENT IN WHICH THEY OPERATE.

OPM ON-SITE-REVIEWS HAVE EMPHASIZED SELECTION AND DEVELOPMENT OF CANDIDATES FOR THE SES. IT HAS BEEN DETERMINED THAT MOST AGENCY CANDIDATE DEVELOPMENT PROGRAMS HAVE BEEN SOUNDLY CONCEIVED AND CONDUCTED. IMPROVEMENTS CAN BE MADE IN PROJECTING FUTURE NEEDS, BUT THIS HAS BEEN DIFFICULT UNDER CHANGING PRIORITIES OF NEW ADMINISTRATIONS. IN AN ATTEMPT TO LIMIT REGULATIONS, OPM HAS DECIDED THAT EXECUTIVE AND MANAGEMENT DEVELOPMENT PLANS DO NOT HAVE TO BE UPDATED YEARLY, AND IS CONSIDERING WHETHER IT IS NECESSARY TO MANDATE INDIVIDUAL DEVELOPMENT PLANS.

DEVELOPMENTAL ASSIGNMENTS AND JOB ROTATIONS ARE KEY FEATURES OF THE PROGRAM TO PREPARE EMPLOYEES TO ENTER THE SES. THESE ACTIVITIES ARE ALSO OPEN TO CURRENT SES MEMBERS. ONE OF THE THRUSTS OF THE CSRA WAS TO INCREASE THE MOBILITY OF THE EXECUTIVE ACROSS AND WITHIN AGENCIES. TRADITIONAL PATTERNS OF SINGLE-CAREER ADVANCEMENTS THROUGH ONE AGENCY STILL ARE THE NORM WITHIN THE GOVERNMENT. HOWEVER, ADVANCES HAVE BEEN MADE IN MOBILITY, ESPECIALLY WITHIN SINGLE DEPARTMENTS. MORE EFFORT NEEDS TO BE EXPENDED TO ALLOW FOR MOBILITY BETWEEN AGENCIES, BUT THERE CLEARLY ARE ADVANTAGES

TO RESTRICTING MOBILITY TO WITHIN ONE AGENCY AS AN ENHANCEMENT OF PROMOTIONAL OPPORTUNITY.

ANOTHER MAJOR FEATURE OF THE SES WAS THE UNIFYING CONCEPT INCLUDING BOTH CAREER AND NON-CAREER EXECUTIVES. AS NOTED, THIS WAS ESPECIALLY INTENDED TO ALLOW OPPORTUNITIES FOR CAREER EXECUTIVES TO SERVE IN POSITIONS PREVIOUSLY RESERVED FOR NON-CAREER APPOINTEES. THE DEVELOPMENT OF A SINGLE UNIFIED CORPS APPEARS TO HAVE BEEN SUCCESSFUL. THE RESULTS OF THE 1983 FEAS SURVEY INDICATE THAT 64 PERCENT OF EXECUTIVES AGREE CAREER AND NON-CAREER EXECUTIVES WORK WELL TOGETHER, APPROXIMATELY THE SAME AS AGREED IN 1979.

THE CSRA LIMITED THE NUMBER OF NON-CAREER EXECUTIVES TO 10 PERCENT OF AUTHORIZED POSITIONS, A RESTRICTION ON EXECUTIVE BRANCH MANAGEMENT DISCRETION OPPOSED BY THIS AND THE PREVIOUS ADMINISTRATION. YET, CONTRARY TO SOME MISCONCEPTIONS, THE NUMBER OF NON-CAREER POSITIONS HAS NOT INCREASED SIGNIFICANTLY OVER TIME. SUCH COMPARISONS USUALLY MISS THE FACT THAT THE CARTER ADMINISTRATION CONVERTED 277 NON-CAREER APPOINTEES INTO THE SES CAREER SERVICE ON JULY 13, 1979. WHEN THESE CONVERTEES ARE ADDED TO THE 489 DESIGNATED AS SES NON-CAREER, THERE WERE REALLY 766 CARTER "NON-CAREER-TYPES" IN THE SES, COMPARED TO THE REAGAN ADMINISTRATION FIGURE OF 709 NON-CAREER APPOINTEES IN DECEMBER OF 1983.

THE LAW ALSO INCLUDED CERTAIN PROTECTIONS TO ENSURE CONTINUITY DURING CHANGES IN PRESIDENTIAL ADMINISTRATIONS.

A 120 DAY TRANSITION MORATORIUM WAS ADOPTED ON INVOLUNTARY REASSIGNMENTS, PERFORMANCE APPRAISALS, AND PERFORMANCE REMOVALS OF CAREER SES MEMBERS AFTER CHANGE OF ADMINISTRATION OR AGENCY HEAD. STUDIES BY OPM, MSPB AND THE GENERAL ACCOUNTING OFFICE FOUND NO VIOLATIONS OF THESE PROVISIONS DURING THE TRANSITION FROM THE CARTER TO THE REAGAN ADMINISTRATION.

IN SUM, THE SES APPEARS TO BE AN EFFECTIVE CORPS FOR ACHIEVING EFFECTIVE MANAGEMENT OF GOVERNMENT. SATISFACTION WITH WORK IS HIGH AND THE TWO MOST SERIOUS CONCERNS, REGARDING PAY AND BONUSES, HAVE BEEN ADDRESSED. INDEED OPM ATTRIBUTES MUCH OF THE DRAMATIC DECLINE, FROM 681 TO 309 PER YEAR, IN OPTIONAL RETIREMENTS AND RESIGNATIONS IN THE SES TO THE RESOLUTION OF THESE TWO CONCERNS. CAREER DEVELOPMENT PROGRAMS TOO SEEM SOUND, AND RELATIONSHIPS BETWEEN CAREER AND NON-CAREER MEMBERS OF THE SES ARE ON A FIRM FOOTING.

THE FUTURE OF THE SENIOR EXECUTIVE SERVICE

THE SENIOR EXECUTIVE SERVICE HAS BEEN A SUCCESS. IT HAS MOVED FROM A RIGID MANAGEMENT FORM TO A MORE FLEXIBLE INSTRUMENT OF IMPROVED GOVERNMENT EFFECTIVENESS. ITS ESPRIT SEEMS RELATIVELY HIGH AND EXISTING DEFICIENCIES HAVE BEEN OR ARE BEING RESOLVED. THEREFORE, THIS ADMINISTRATION SUPPORTS THE CONTINUATION OF THE SENIOR EXECUTIVE SERVICE. IT HAS BEEN A VALUABLE FOUNDATION, AND WILL PROVIDE THE BASE UPON WHICH THE EXECUTIVE CORPS FOR THE GOVERNMENT IN THE FUTURE CAN BE IMPROVED.

CLEARLY, THE SES CAN BE IMPROVED. THE EXECUTIVE BRANCH MUST CONTINUE ITS EFFORTS TO UPGRADE THE PERFORMANCE APPRAISAL SYSTEM. NO MANAGEMENT INSTRUMENT IS MORE IMPORTANT, AND NONE DESERVES MORE EMPHASIS. THIS IS ESPECIALLY TRUE SINCE SIGNIFICANT REWARDS ARE LINKED TO THAT APPRAISAL SYSTEM. THERE HAVE BEEN SIGNIFICANT IMPROVEMENTS IN THE DISTRIBUTION OF RATINGS SINCE THE CREATION OF THE SES BUT FURTHER PROGRESS IS NEEDED. THE APPRAISAL SYSTEM IS SOUND, AND GETTING BETTER. AND IT IS FAIR.

THE ADMINISTRATION IS ALSO SUPPORTING THE WOLF-TRIBBLE BILL (S.958) WHICH INCLUDES SEVERAL IMPROVEMENTS FOR THE SES. THE BILL WOULD EXPAND THE LIMIT FOR BONUSES PAID BY REMOVING THE EXECUTIVE LEVEL I LIMIT ON SES CAREER BONUSES. IT WOULD ALSO TRANSFORM THE SES BONUS PROGRAM INTO A POOL CONCEPT, WHICH WOULD ALLOW FOR MORE FLEXIBILITY OF AGENCY MANAGEMENT IN MAKING THEIR AWARDS. THE POOL WOULD BE SELF-CONTROLLED BY FIXING THE SIZE OF THE POOL TO THREE PERCENT OF SES CAREER PAYROLL AND BY SETTING MINIMUM AND MAXIMUM LEVELS OF AWARDS. THE BILL ALSO WOULD PROVIDE FALLBACK IN A REDUCTION-IN-FORCE FOR AN SES MEMBER TO THE GENERAL SCHEDULE GRADE 15 LEVEL. AND THE NOTICE PERIOD FOR GEOGRAPHIC REASSIGNMENTS WOULD BE INCREASED TO THIRTY DAYS. WE BELIEVE THESE ARE REASONABLE IMPROVEMENTS UPON THE CURRENT SES SYSTEM.

QUESTIONS HAVE BEEN RAISED REGARDING THE UNLIMITED ACCUMULATION OF LEAVE NOW ALLOWED TO SENIOR EXECUTIVES.

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SINCE THE ADOPTION OF THE CSRA, SOME EMPLOYEES HAVE ALREADY ACCUMULATED UP TO \$30,000 OF ANNUAL LEAVE, AND ARE ADDING ABOUT \$3,000 PER YEAR. THIS RESULTS FROM A PROVISION WHICH ALLOWS EXECUTIVES TO "CARRY OVER" LEAVE FROM YEAR TO YEAR. THERE IS CONCERN THAT SUCH LARGE PAYMENTS UPON LEAVING THE GOVERNMENT MIGHT BE DIFFICULT TO JUSTIFY.

OPM DOES NOT BELIEVE THE "USE OR LOSE" CONCEPT OF ANNUAL LEAVE IS APPROPRIATE FOR THE SES. YET, WE ARE CONCERNED THAT SUCH LARGE PAYOUTS OF ACCUMULATED ANNUAL LEAVE ACCUMULATIONS COULD HAVE A NEGATIVE IMPACT ON THE WHOLE SES PROGRAM. WE BELIEVE, THEREFORE, THAT OTHER MEANS OF PAYMENT NEED TO BE EXPLORED, SUCH AS CASHING-OUT PERIODICALLY ANY EXCESS LEAVE OVER NORMAL ACCUMULATIONS.

FINALLY, WE HAVE RECEIVED REQUESTS FROM THE UNIFORMED SERVICES THAT MEMBERS OF THE MILITARY BE ELIGIBLE TO JOIN EXECUTIVE RESOURCES BOARDS. IN OPM'S LEGAL OPINION, THIS IS NOT PERMITTED BY LAW. SINCE MILITARY OFFICERS ARE OFTEN PART OF THE MANAGEMENT TEAM, HOWEVER, IT WOULD SEEM THAT THEY HAVE LEGITIMATE INTERESTS IN THE SELECTION OF THE OTHER MEMBERS OF THE TEAM, JUST AS NON-CAREER OFFICIALS ALWAYS HAVE, AND CAREER SES HAVE SINCE CSRA. THEREFORE, WE ARE CONSIDERING A CHANGE IN THE LAW THAT WOULD ALLOW MILITARY OFFICERS TO SERVE ON SUCH BOARDS.

IN CONCLUSION, THE CSRA CREATED A CORPS OF SENIOR EXECUTIVES WHICH HAS SERVED THE GOVERNMENT WELL. CHANGES

CAN AND SHOULD BE MADE TO IMPROVE THE SYSTEM, AND SEVERAL HAVE BEEN SUGGESTED HERE. YET, THE FOUNDATION IS FIRM. IT IS A CREDIT TO THE AUTHORS OF THE REFORM ACT. THIS ADMINISTRATION IS COMMITTED TO THAT SYSTEM AND TO ITS CONTINUED IMPROVEMENT. WE RECOMMEND THAT THE SES BE SUPPORTED BY CONGRESS, TOO, BY REENDORING ITS DECISION MADE IN THE CIVIL SERVICE REFORM ACT OF 1978.